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Via e-mail

May 7, 1997

TO: KAM's and AM's with Southland Division Responsibility

SUBJECT: **Southland/7-Eleven (CID #0001-XX-XX)**
Merchandising Contract Information

Ladies & Gentlemen:

The following information summarizes our current contract status in the above subject chain:

Southland has agreed to extend our current special 7-Eleven Cigarette Display and Merchandising Agreement through 1998 for all participating **Corporate** and **Franchise** stores.

There are three (3) possible contract display scenarios:

- 1) *Self-Service* contract with RJR Full Price Displays in a wrap configuration at the register nearest the Food Service Area.
(Most Common Scenario)
- 2) *Non Self-Service was Legislated or Government Imposed.*
RJR Full Price Displays maintained on front counter in same configuration mentioned above with a security cover.
- 3) *Non Self-Service Decision Made by Southland.* Displays maintained on front counter with cover or moved to a highly visible location on back bar -- RJR maintains 30 facings and is not disadvantaged relative to position.

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7-11 Contracts
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Attached are SIS Reporting Procedures for each scenario. These contract designations differ from 1996 and have been mass updated in SIS with an effective date of April 1997. Additionally, the Retail Accrual Plan has been mass updated to PLAN L1B for each of these contract plans.

IMPORTANT!!!

IT IS CRITICAL THAT EACH OF THESE NEW PLANS ARE OPENED IN YOUR RESPECTIVE SOUTHLAND CHAIN CONTRACT SCREENS. PLEASE ENSURE ALL SUB LEVELS HAVE NEW CONTRACT/ACCRUAL PLANS ADDED ASAP BUT NOT LATER THAN MAY 23, 1997.

SPECIAL NOTE:

The mass update only affects Corporate and Franchise stores currently signed on the special 7-Eleven contract. It is critical that we have accurate reporting of merchandising and accrual plans in Franchise Locations *Not Participating* in the special 7-Eleven merchandising agreement.

Your assistance with this chain is greatly appreciated. Should you have any questions relative to the above, please do not hesitate to contact me.

Sincerely,

Jeff

J. S. Rumberger

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attachments

cc: AVP's, RSM'S, Rick Young

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Participating Self-Service Locations

	New	Old
Contract Type :	Pk Outlt	1 Base2
Plan :	L3B <i>#170</i>	7/11
Contract Type :	Pk Outlt EH	----
Plan	MC	----
Variable Rate :	\$80.00	----

Special Note : This is a change from the old plan : Contract type : 1 Base2 - Plan : 7/11

Participating Stores with Non-Self-Service/Government Imposed

	New	Old
Contract Type : <i>PK outlt</i>	Pk Outlt	Pk Outlt
Plan : <i>LR3B #135</i>	NSL3B <i>#100</i>	NSL3C
Contract Type : <i>PK outlt EH</i>	Pk Outlt EH	Pk Outlt EH
Plan : <i>MC</i>	MC	MC
Variable Rate : <i>#15.00</i>	\$50.00	\$40.00

Participating Stores with Non-Self-Service/7-Eleven Decision

	New	Old
Contract Type :	Pk Outlt	Pk Outlt
Plan :	NSL3B <i>#100</i>	NSL3C

Retail Accrual Plan - All Participating Stores

Contract Type :	Pk Accrual	
Plan :	L1B <i>#14</i>	

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